



General Assembly

Distr.: General
23 June 2006

Original: English

Sixtieth session

Agenda items 46, 118, 120, 122, 124, 128, 129 and 136

Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields

United Nations reform: measures and proposals

Follow-up to the outcome of the Millennium Summit

Review of the efficiency of the administrative and financial functioning of the United Nations

Programme budget for the biennium 2006-2007

Scale of assessments for the apportionment of the expenses of the United Nations

Human resources management

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Investing in the United Nations for a stronger Organization worldwide: updated terms of reference for the Independent Audit Advisory Committee

Interim report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the detailed report of the Secretary-General entitled "Investing in the United Nations for a stronger Organization worldwide: updated terms of reference for the Independent Audit Advisory Committee (A/60/846/Add.7).

2. That report followed the adoption by the General Assembly of resolution 60/1 of 16 September 2005, in which the Assembly had requested the Secretary-General to submit detailed proposals on the creation of an independent oversight advisory committee, and resolution 60/248 of 23 December 2005, in which it decided to establish the Independent Audit Advisory Committee to assist the Assembly in discharging its oversight responsibilities and requested the Secretary-General to



propose the Audit Advisory Committee's terms of reference, ensure coherence with the outcome of the ongoing review of oversight and report to the Assembly at the second part of its resumed sixtieth session on related resource requirements.

3. As indicated in paragraph 3 of the Secretary-General's report, that report had updated the proposed terms of reference for the Independent Audit Advisory Committee arising from the independent external review of governance and oversight. As at the time of the writing of the present report, the Advisory Committee had not received the report of the Secretary-General on governance and oversight.

4. As pointed out above, the report of the Secretary-General had responded to a specific request of the General Assembly and could, in that sense, be considered on its own. Nevertheless, consistent with its view expressed in paragraph 17 of a previous report (A/60/7/Add.23), the Advisory Committee points out that the Independent Audit Advisory Committee is an integral part of the overall governance machinery and that its development as an institution, including the elaboration of its terms of reference, should take place in the context of the wider review of oversight and governance. Moreover, the Advisory Committee recalls having stated in the same paragraph that the findings of the governance review could have a significant impact on the functions, mandate and terms of reference of the proposed committee. In this connection, the Advisory Committee recalls that the Secretary-General was requested to ensure coherence with the outcome of the ongoing review on oversight (see para. 2 above). The Committee also stresses the relevant parts of Assembly resolution 60/254 of 8 May 2006 on the governance review and oversight bodies.

5. In a related matter, the Advisory Committee refers to the internal oversight committee established by the Secretary-General in September 2005 (see ST/SGB/2005/18). Upon enquiry, the Committee was informed that such an oversight committee had not yet been constituted.

6. The Advisory Committee wishes to point out that it intends to take up the report of the Joint Inspection Unit on oversight lacunae in the United Nations system, together with the related comments of the United Nations System Chief Executives Board for Coordination (see A/60/860 and Add.1).

7. The Advisory Committee was informed that the Board of Auditors is engaged in ascertaining the effect of the proposed revised terms of reference of the Independent Audit Advisory Committee on the Board's independence under article VII of the Financial Regulations and Rules of the United Nations (ST/SGB/2003/7).

8. Since, as stated above, the report on governance and oversight is not available to the Advisory Committee, the observations and recommendations of the Advisory Committee as contained in the paragraphs below are, of necessity, preliminary in nature.

9. Under the circumstances, the Advisory Committee will reserve comment on the proposed terms of reference for the Independent Audit Advisory Committee, including its mandate, composition, selection process and qualification of experts, pending the availability of the reports of the Secretary-General on oversight and governance and the Advisory Committee's subsequent consideration thereof.

10. Resource requirements for the Independent Audit Advisory Committee are contained in paragraphs 14 to 16 of the Secretary-General's report. In paragraph 15 of that report, an amount of \$271,900 was requested for one D-1 post, one P-3 post and one General Service post to provide administrative and logistic support for the work of the Audit Advisory Committee. **For the reasons given above, the Advisory Committee is not yet in a position to make any pronouncements on the specific staffing proposals of the Secretary-General. However, the Advisory Committee does point out that once the terms of reference have been approved, and even before the members of the Audit Advisory Committee have taken up their duties, there may well be a need for some preparatory work for the purpose of organizing support arrangements for the Committee, pending a decision by the General Assembly on the number and grade levels of staff of the Audit Advisory Committee secretariat. The Advisory Committee therefore recommends approval, at this stage, of general temporary assistance equivalent to six months at the P-5, P-3 and General Service levels.**

11. An estimated non-post requirement, in the amount of \$684,700, is described in paragraph 16 of the Secretary-General's report. **The Advisory Committee recommends that consideration of these requirements be deferred, pending the adoption by the General Assembly of the necessary decisions on the Independent Audit Advisory Committee. This being stated, the Advisory Committee is of the opinion that the identification of potential candidates by the Secretary-General, in consultation with Member States, would be a useful exercise with regard to preventing an undue delay in putting the Audit Advisory Committee into operation once the Assembly has taken the relevant decisions. The Advisory Committee does not believe, however, that the Secretary-General needs an additional appropriation to commence such work at this stage.**

12. In a related matter, the Advisory Committee reiterates its observation that ensuring the operational and budgetary independence of the Office of Internal Oversight Services is of the utmost importance and that the General Assembly may wish, as an interim measure, to authorize the Office to submit its budget to the Assembly through the Advisory Committee (A/60/7/Add. 23, para. 18).



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Investing in the United Nations: for a stronger Organization worldwide: detailed report

Procurement reform

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the detailed report of the Secretary-General on Investing in the United Nations: procurement reform (A/60/846/Add.5). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification.

2. The report describes measures implemented by the Secretariat in response to General Assembly resolution 59/288, as well as new initiatives planned or under



way pursuant to the initial report of the Secretary-General on investing in the United Nations (A/60/692 and Corr.1 and 2) and Assembly resolution 60/260. The report also takes into account a study by an outside consultant on internal controls of the procurement operations of the United Nations and the report of the Office of Internal Oversight Services on the comprehensive management audit of the Department of Peacekeeping Operations (A/60/717), both undertaken in 2005. In his report, the Secretary-General focused on three main themes: (a) strengthening of internal control measures; (b) optimizing United Nations acquisition and procurement management; and (c) strategic management of United Nations procurement.

3. The Advisory Committee notes that there are a number of reports that will have a major impact on procurement reform that are still to come. Central among these is the report to be submitted to the General Assembly at its sixty-first session in response to paragraph 20 of General Assembly resolution 59/288 concerning the alignment of peacekeeping acquisition management responsibilities between the Department of Management and the Department of Peacekeeping Operations (see A/60/846/Add.5, para. 46). Other forthcoming reports of relevance to procurement reform will include the reports of the Secretary-General on governance, on accountability and on human resources reform. These will form part of the Secretary-General's detailed report on investing in the United Nations pursuant to General Assembly resolution 60/260.

4. It is clear from the report that the emphasis has been on dealing with urgent internal control issues as identified in the above-mentioned reports of the Office of Internal Oversight Services (A/60/717) and the outside consultant. Other aspects of procurement reform are not as well developed in the report. The Advisory Committee will therefore confine its comments to the strengthening of internal control, and expects that other procurement reform measures will be elaborated in greater detail in forthcoming reports. Although the Committee would have preferred to deal with the subject of procurement comprehensively, it was explained that there was an urgent need for resources to implement necessary measures in the ongoing reform of procurement. Under the circumstances, the Committee, in the paragraphs below, offers some preliminary observations on the plans put forward by the Secretary-General without prejudice to what the Committee may observe or recommend following its consideration of the other reports related to procurement, which are forthcoming.

II. Strengthening internal control measures

5. As noted in the report on procurement reform (A/60/846/Add.5, para. 9), action taken by the Secretariat to strengthen internal control measures has been clustered in five critical areas: (a) ethics and integrity; (b) management and staff; (c) procurement processes; (d) governance; and (e) information systems.

6. The Advisory Committee welcomes the various measures being taken to segregate duties and processes so as to avoid conflict of interest and to increase transparency. These include, among other things, a structural reorganization by which the secretariat of the Headquarters Committee on Contracts now reports to the Office of the Under-Secretary-General for Management rather than to the Office

of Central Support Services, as well as plans to establish an independent bid protest system, which would work outside of the reporting hierarchy of the Procurement Service.

A. Ethics and integrity

7. The Advisory Committee notes the actions taken to promote integrity and ethics in the Organization, as outlined in paragraphs 10 to 14 of the report. Of particular relevance to procurement are the independent bid protest system mentioned above, the United Nations Supplier Code of Conduct, which has been finalized by the Procurement Service, and the ethics guidelines for procurement staff, which are under final internal review and are to be issued in 2006 (A/60/846/Add.5, paras. 8 and 15-17). Upon enquiry, the Committee was informed that the ethics guidelines were completed; however, a conflict with the staff rules had been identified which will have to be resolved before they can be issued. **Every effort should be made to issue the ethics guidelines for procurement staff expeditiously and in all working languages.**

B. Management and staff

8. The Advisory Committee expects to comment on the issue of procurement management and staff in greater detail in the context of its consideration of the report on human resources management reform to be presented to the General Assembly at its sixty-first session.

9. The Advisory Committee notes with interest the intention of the Secretary-General to develop a career path programme for procurement staff, aimed at promoting job rotation between Headquarters and the field. In this connection, a lateral reassignment programme has already been initiated within the Procurement Service to ensure that staff do not deal with the same vendors for an extended period of time. It is expected that reforms in this area will also facilitate mobility of staff among the organizations of the United Nations system.

10. The Advisory Committee notes, from paragraph 20 of the report, that the Procurement Service has been working within the Inter-Agency Procurement Working Group to develop a common internal procurement certification programme. It has been recognized, however, that the administration of such a programme would be cumbersome and costly. Staff will therefore be encouraged to use external certification programmes available from procurement training institutes in various regions.

11. A model procurement training programme is contained in table 2 of the report. The aim is to train approximately 400 staff members across the Secretariat in procurement processes, with each staff member attending a minimum of two training sessions annually. **The Advisory Committee recognizes the importance of training for procurement staff. The Committee requests that information on the required professional qualifications for procurement staff, including certification, be provided in the upcoming report on human resources management reform.**

C. Procurement processes

12. In paragraphs 25 to 37 of the report, the Secretary-General described measures taken to improve procurement processes, including the updating of the Procurement Manual, promulgation of revised terms and conditions for tenders, strengthening of the Vendor Review Committee and the vendor roster and changed procedures for dealing with ex post facto cases. A review of procurement rules and procedures applicable to the field is also planned in order to establish special procedures to support immediate operational requirements. In addition, the Organization intends to adopt practices applicable to specific market segments and to realign the current procurement process to industry practices. **The Advisory Committee trusts that the industry experts to be engaged will review procurement practices and models to identify those applicable to the United Nations environment. The Committee points out that the procurement process is unduly slow and involves multiple and duplicative steps. The Committee trusts that the review will promote efficient delivery of services, both at Headquarters and in the field.**

D. Governance

13. One of the key issues to be addressed in procurement reform is the governance structure of procurement and delegation of procurement authority. In 2005, the Assistant Secretary-General of the Office of Mission Support in the Department of Peacekeeping Operations was granted procurement authority, which has been further delegated to directors of administration/chief administrative officers and chiefs of procurement and procurement staff in peacekeeping missions, allowing these individuals to enter into contracts up to \$1 million per contract for core requirements and \$200,000 for non-core requirements. In this connection, the Committee notes from paragraph 2 of the report that the value of procurement has reached approximately \$1.8 billion per year. Of the total, the Committee was informed that approximately \$180 million pertained to Headquarters procurement, \$154 million to offices away from Headquarters and the remainder to field operations.

14. As noted in paragraph 46 of the report, recent audits have identified possible weaknesses in the control environment due, inter alia, to the split of responsibilities between the Department of Management and the Department of Peacekeeping Operations. A working group is being established to examine the issue. The results of the examination will be reported to the General Assembly at its sixty-first session pursuant to section B, paragraph 20, of Assembly resolution 59/288. In the meantime, in the proposed budget for the support account for peacekeeping operations (A/60/727, paras. 148-150), the Secretary-General has proposed the establishment of a dedicated capacity within the Department of Peacekeeping Operations to enable it to assume responsibility and accountability for the delegated procurement authority and exercise the newly vested oversight responsibilities in field procurement.

15. As noted above, following a recommendation of the Office of Internal Oversight Services, the reporting line for the Headquarters Committee on Contracts, which reviews procurement proposals in excess of \$200,000, has been changed to eliminate the possibility of conflict of interest. Its secretariat now reports to the Office of the Under-Secretary-General for Management, and no longer to the Office

of Central Support Services, which is one of the major requisitioning offices within the United Nations Secretariat. A review of the financial threshold of the proposed procurement requirements that should be vetted by the Headquarters Committee on Contracts is scheduled for completion in September 2006. **In the view of the Advisory Committee, this is an important exercise, which it trusts will be completed on time.**

E. Information systems

16. As noted in the report (A/60/846/Add.5, para. 51), development work on the Headquarters version of the Mercury system has been suspended pending a decision about the replacement of the Integrated Management Information System with an enterprise resource planning system. An analysis of the costs and benefits of various options for the procurement system is under way, including the possible use of open source software, as requested by the General Assembly in section V, subparagraph (f), of its resolution 60/260. The Committee was informed that the analysis would form part of the detailed report to be submitted to the General Assembly at its sixty-first session on investing in information and communication technology (A/60/846/Add.1, para. 18). Related resource requirements, if any, would be presented to the Assembly at that time.

III. Optimization of acquisition and procurement management

17. This section of the report describes strategic initiatives being pursued by the Secretariat to optimize procurement performance, including

- (a) Large-scale implementation of global systems contracts;
- (b) Improved compliance with procurement planning requirements;
- (c) Partnering with other organizations within the United Nations system through the development of the lead agency concept, expanded utilization of common services arrangements and extension of participation in systems contracts to other organizations, as well as utilization of systems contracts concluded by other organizations;
- (d) Utilization of the best-value-for-money methodology;
- (e) E-procurement and purchasing cards.

18. As noted in the report (A/60/846/Add.5, para. 63), in section V, subparagraph (h), of its resolution 60/260, the General Assembly called for an assessment of the effectiveness of internal controls of the United Nations organizations referred to in proposal 14 of the initial report of the Secretary-General on investing in the United Nations (A/60/692 and Corr.1 and 2), as well as an assessment of how these controls differ from those of the United Nations Procurement Service. **The Advisory Committee encourages the Secretariat to benefit from the experience of other organizations of the United Nations system and highlights, in this regard, the usefulness of the Inter-Agency Working Group on Procurement.** With regard to the lead agency concept, the Committee recalls its recommendation that the Administration, in further developing the concept, should issue guidelines ensuring that there is consistency in the relevant

procedures to determine specific needs and evaluate the ability of prospective vendors to meet those needs in a timely and cost-effective manner.

IV. Strategic management of United Nations procurement

19. This section deals with two issues: (a) the planned elaboration of a career development framework for procurement staff; and (b) measures to increase procurement opportunities and participation of vendors from developing countries and economies in transition. The career development programme is described in very general terms and is not ripe for consideration at this stage. **The Advisory Committee believes that consideration of this issue is better placed in the context of the report on human resources reform to be submitted to the General Assembly at its sixty-first session.**

20. Tables 3 and 4 (A/60/846/Add.5, para. 76) show the trends in procurement from developing countries and countries in transition for 2001 to 2005. **The Advisory Committee requests that information be provided to the General Assembly on the statistical analysis employed since there are a number of factors that should be taken into account in the evaluation of the data, including rules of origin.** The Committee notes that the Secretariat has largely used business seminars to increase awareness among vendors in these countries. **While the Committee recognizes the merit in continuing this endeavour, it would encourage the Secretariat to explore additional ways to promote procurement from developing countries and countries with economies in transition.** In this connection, the Committee also recalls General Assembly resolution 59/288.

V. Financial implications

21. Upon request, the Advisory Committee was provided with the following breakdown of resources requested for procurement in the proposed budget of the support account for peacekeeping operations (A/60/727), those proposed resources recommended for deferral by the Committee (A/60/807, para. 120) and additional resources requested in the report of the Secretary-General on investing in the United Nations: procurement reform (A/60/846/Add.5):

Table 1
Breakdown of total resources proposed for the Procurement Service and
procurement-related activities in the biennium 2006-2007

(Thousands of United States dollars)

A. Support account

	<i>Proposed in A/60/727</i>	<i>Recommended by the Advisory Committee in A/60/807</i>	<i>Deferred by the Advisory Committee</i>	<i>Additional requests in A/60/846/Add.5</i>	<i>Total additional requests</i>	<i>Grand total</i>
	<i>1</i>	<i>2</i>	<i>3 = 1 - 2</i>	<i>4</i>	<i>5 = 3 + 4</i>	<i>6 = 2 + 5</i>
International staff	7 574.3	5 742.9	1 831.4	609.7	2 441.1	8 184.0
General temporary assistance	706.6	276.2	430.4	—	430.4	706.6
Consultants	20.0	20.0	—	840.0	840.0	860.0
Travel	299.1	299.1	—	200.0	200.0	499.1
Facilities and infrastructure	1 296.1	466.2	829.9	238.1	1 068.0	1 534.2
Communications	92.2	59.0	33.2	10.2	43.4	102.4
Information technology	139.4	73.4	66.0	23.1	89.1	162.5
Other services, supplies and equipment	393.0	393.0	—	10.0	10.0	403.0
Total	10 520.7	7 329.8	3 190.9	1 931.1	5 122.0	12 451.8

**B. Regular budget
(biennium 2006-2007)**

Section 28 D: Resource requirements^a

<i>Component</i>	<i>2006-2007</i>	<i>Proposed changes</i>		<i>Total</i>
	<i>Initial appropriation</i>	<i>Amount</i>	<i>Percentage</i>	
Section 28 D (Post)	88 481.4	29.1	0.0	88 510.5
Section 28 D (Non-post)	157 955.9	—	—	157 955.9
Subtotal	246 437.3	29.1	0.0	246 466.4

^a See A/60/846/Add.5.

In total, in the context of the current report, the Secretary-General is requesting approval of \$5,151,100, comprising \$3,190,900 recommended for deferral in the report of the Advisory Committee on the support account, \$1,931,100 in additional resources requested for the support account in the report of the Secretary-General on procurement reform (A/60/846/Add.5) and \$29,100 under the regular budget.

22. As to staffing requirements, the Secretary-General is seeking approval of 20 posts and two positions funded under general temporary assistance, which had been requested in the proposed budget of the support account. When it considered the

proposed budget of the support account, the Advisory Committee had recommended deferring action on those posts and positions pending the issuance of the follow-up report of the Secretary-General on investing in the United Nations (A/60/807, paras. 63, 83, 101, 108 and 117).

23. In addition, the Secretary-General is requesting reclassification of the D-1 post for the Chief of Procurement under the regular budget to the D-2 level and six additional posts under the support account for the Procurement Service as follows:

(a) One D-1 post to oversee daily procurement activities of the Field Procurement Section and the Logistics and Transportation Section;

(b) One P-4 post for a staff member with information technology knowledge and skills to address system integration requirements, provide technical inputs to replace the current procurement information system and provide substantive support to the introduction of an enterprise resource planning system from the procurement operational point of view;

(c) One P-4 post for a staff member with knowledge of commercial contract laws to augment the capacity in the Procurement Service for managing procurement for highly specialized information technology and logistical requirements;

(d) Two P-4 posts to further strengthen the capacity of the Field Procurement Section. The Advisory Committee was informed that these staff were needed to help clear up backlog in the Section, which currently has over 140 requisitions outstanding, 36 systems contracts in progress and 16 systems contracts pending action, as well as a current backlog of 40 to 50 cases relating to local procurement proposals;

(e) One P-3 post to develop business seminar programmes for vendors in developing countries and countries with economies in transition.

24. Upon request, the Advisory Committee was provided with tables showing human resources requirements for procurement-related activities in the biennium 2006-2007 (see annex).

25. While it is clear that the proposals for procurement reform contained in the report of the Secretary-General merely represent a stage in a process that requires further development, it is equally clear that additional resources are urgently needed to move that process forward and to continue to deal with deficiencies that have been identified by the Office of Internal Oversight Services, the Board of Auditors and external consultants. The Advisory Committee therefore recommends approval of the requested resources totalling \$5,151,100, as outlined in paragraphs 21 to 24 above.

Annex

Human resource requirements for procurement-related activities

A. Procurement Service: Department of Management

Category	Regular budget		Temporary post							Total	
			Support account					Other			
	2005/06	2006/07	2005/06	2006/07	Change ^a	Deferred ^b	Additional request ^c	2005/06	2006/07	2005/06	2006/07 ^d
Professional and above											
D-2	—	1 ^e	—	—	—	—	—	—	—	—	1
D-1	1	—	—	—	—	—	1	—	—	1	1
P-5	1	1	2	3	1	1	—	1	1	4	5
P-4	1	1	8	11	3	3	4	—	—	9	16
P-3	5	5	10	14	4	4	1	1	1	16	21
P-2	3	3	2	2	—	—	—	—	—	5	5
Subtotal	11	11	22	30	8	8	6	2	2	35	49
General Service											
Principal level	—	—	—	1	1	1	—	—	—	—	1
Other level	26	26	12	14	2	2	—	2	2	40	42
Subtotal	26	26	12	15	3	3	—	2	2	40	43
Total	37	37	34	45	11	11	6	4	4	75	92

^a Proposed in A/60/727.^b Deferred by the Advisory Committee on Administrative and Budgetary Questions (A/60/807).^c Additional requests (see A/60/846/Add.5).^d Including additional resources proposed (see A/60/846/Add.5).^e Reclassification proposed A/60/846/Add.5.

B. Office of Mission Support: Department of Peacekeeping Operations Procurement Management Function

Category	Regular budget		Temporary post						Total	
			Support account				Other			
	2005/06	2006/07	2005/06	2006/07	Change ^a	Deferred ^b	2005/06	2006/07	2005/06	2006/07
Professional and above										
Assistant Secretary-General	1	1	—	—	—	—	—	—	1	1
D-2	1	1	1	1	—	—	—	—	2	2
D-1	1	1	4	6	2	—	—	—	5	7
P-5	2	3	17	19	2	1	—	—	19	22
P-4	3	3	68	76	8	1	—	—	71	79
P-3	2	5	99	104	5	—	—	—	101	109
P-2	5	6	6	7	1	—	—	—	11	13
Subtotal	15	20	195	213	18	2	—	—	210	233
General Service										
Principal level	—	—	14	14	—	—	—	—	14	14
Other level	11	12	133	138	5	—	—	—	144	150
Subtotal	11	12	147	152	5	—	—	—	158	164
Total	26	32	342	365	23	2	—	—	368	397

^a Proposed in support account budget (see A/60/727).

^b Deferred by the Advisory Committee on Administrative and Budgetary Questions (see A/60/807).

C. Office of Legal Affairs

Category	Regular budget		Temporary post						Total	
			Support account				Other			
	2005/06	2006/07	2005/06	2006/07	Change ^a	Deferred ^b	2005/06	2006/07	2005/06	2006/07
Professional and above										
Under-Secretary-General	1	1	—	—	—	—	—	—	1	1
Assistant Secretary-General	1	1	—	—	—	—	—	—	1	1
D-2	4	4	—	—	—	—	—	—	4	4
D-1	7	7	—	—	—	—	2	2	9	9
P-5	17	17	1	3	2	2	2	2	20	22
P-4	19	19	3	4	1	1	4	4	26	27
P-3	20	20	1	1	—	—	2	2	23	23
P-2	14	14	—	—	—	—	2	1	16	15
Subtotal	83	83	5	8	3	3	12	11	100	102
General Service										
Principal level	11	11	—	—	—	—	—	—	11	11
Other level	48	48	—	1	1	1	6	4	54	53
Subtotal	59	59	—	1	1	1	6	4	65	64
Total	142	142	5	9	4	4	18	15	165	166

^a Proposed in support account budget (see A/60/727).^b Deferred by the Advisory Committee on Administrative and Budgetary Questions (see A/60/807).

**D. Office of the Under-Secretary-General, Department of Management:
Headquarters Committee on Contracts**

Category	Regular budget		Temporary post						Total	
			Support account				Other			
	2005/06	2006/07	2005/06	2006/07	Change ^a	Deferred ^b	2005/06	2006/07	2005/06	2006/07
Professional and above										
Assistant Secretary-General	—	—	—	—	—	—	—	—	—	—
D-2	—	—	—	—	—	—	—	—	—	—
D-1	—	—	—	1	1	1	—	—	—	1
P-5	1	1	—	—	—	—	—	—	1	1
P-4	—	—	—	1	1	1	—	—	—	1
P-3	1	1	—	—	—	—	—	—	1	1
P-2	—	—	—	—	—	—	—	—	—	—
Subtotal	2	2	—	2	2	2	—	—	2	4
General Service										
Principal level	—	—	—	—	—	—	—	—	—	—
Other level	2	2	—	1	1	1	—	—	2	3
Subtotal	2	2	—	1	1	1	—	—	2	3
Total	4	4	—	3	3	3	—	—	4	7

^a Proposed in support account budget (see A/60/727).

^b Deferred by the Advisory Committee on Administrative and Budgetary Questions (see A/60/807).



**General Assembly
Security Council**Distr.: General
26 June 2006

Original: English

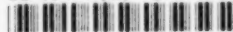
General Assembly
Sixtieth session
Agenda items 14 and 108Security Council
Sixty-first year**The situation in the Middle East****Measures to eliminate international terrorism****Identical letters dated 26 June 2006 from the Chargé d'affaires a.i.
of the Permanent Mission of Israel to the United Nations
addressed to the Secretary-General and the President of the
Security Council**

I am writing to draw your attention to a violent attack perpetrated by Palestinian terrorist organizations against Israel.

Yesterday, at approximately 5.30 a.m., members of the Hamas terrorist organization, along with partner terrorist organizations, infiltrated Israel near the Kerem Shalom border crossing with the Gaza Strip, via a deep tunnel dug 300 metres into Israeli territory. In the attack, the terrorists killed two Israeli soldiers. First, Lieutenant Hanan Barak, 20, of Arad and Staff Sergeant Pavel Slutzker, 20, of Dimona; kidnapped one soldier, Corporal Gilad Shalit, 19, of Mitzpeh Hila; and wounded three other soldiers. Hamas, the Popular Resistance Committees, and Jish al-Islam ("the Army of Islam") took responsibility for the attack.

This assault represents an extremely serious incident, as Hamas and its partners perpetrated an attack on Israeli soil, in a blunt violation of Israeli jurisdiction and in contradiction of the United Nations Charter, United Nations and international conventions and international humanitarian law. Israel views the Hamas-led Palestinian Government as specifically responsible for this attack, and the Palestinian Authority Chairman Mahmoud Abbas responsible for the welfare of Corporal Gilad Shalit.

Israel has fully disengaged from the Gaza Strip, with the hope of opening a window of opportunity to peace. Nevertheless, Gaza has increasingly turned into a terror base, actively supported by the Hamas Government. This terrorist attack emphasizes once again that the takeover of the Palestinian Authority by a terrorist organization is not an internal political matter. It is an event of major significance that affects the stability of the entire region. Moreover, this attack was supported by Khaled Mashal, a Hamas leader who is currently operating from Damascus with the support of the Syrian regime.



This belligerent attack also underscores that the discord between the Hamas-led Palestinian Authority and Israel is not about boundaries or settlements, but rather about the very right of Israel to live in peace and security. Despite claiming to pursue a ceasefire, Hamas was busy for months digging the deep tunnel used during the attack. For Hamas, this is not a territorial or political conflict. It is a religious conflict that can never be resolved via peaceful reconciliation. We call on the international community to maintain a firm stand against the Hamas terrorist organization and deny it any form of legitimacy until it fully meets the three conditions set out by the international community: to recognize Israel, renounce violence and terror and abide by prior international agreements.

Our main concern should focus now on the well-being and safe release of Corporal Gilad Shalit. We expect the international community to voice strong condemnation of this violent attack and call for Corporal Shalit's immediate return.

Please find annexed a communiqué from a cabinet meeting of the Government of the State of Israel, issued yesterday following the attack.

I submit the present letter in follow-up to numerous letters detailing the campaign of Palestinian terrorism launched in September 2000, which document the crimes for which the terrorists and their supporters must be held fully accountable.

I would be grateful if you would arrange to have the present letter and its annex circulated as a document of the sixtieth session of the General Assembly, under agenda items 108 and 14, of the Security Council.

(Signed) Daniel Carmon
Ambassador
Chargé d'affaires a.i.

Annex to the identical letters dated 26 June 2006 from the Chargé d'affaires a.i. of the Permanent Mission of Israel to the United Nations addressed to the Secretary-General and the President of the Security Council

Political-Security Cabinet Convenes

25 June 2006

The Political-Security Cabinet convened this afternoon and made the following decisions:

1. Israel views the terrorist incident that occurred today with utmost severity. The Palestinian Authority (PA) — the PA Chairman and the PA government — is responsible for the event with all this implies.

2. Israel will take all necessary actions in order to bring about the release of abducted soldier Cpl. Gilad Shalit.

This objective has top priority and, to this end, the Cabinet approves all the preparations that were presented to it by the security establishment.

3. The PA will bear full responsibility for any harm to Cpl. Shalit. No person or organization will have immunity at this time.

4. The Cabinet approves the security establishment's recommendations to prepare and deploy the necessary forces in order to be ready for urgent military action as obligated by the PA's actions and intentions.

5. Prime Minister Ehud Olmert and Defense Minister Amir Peretz will decide to approve actions against targets among the terrorist organizations and the PA according to the recommendations of the security establishment.

6. Contacts will continue with the international community in order to maintain the international pressure on the PA leadership with the objective of bringing about Cpl. Shalit's release.

7. Prime Minister Olmert's Media Adviser Asaf Shariv will coordinate the media and the information campaign regarding both Cpl. Shalit's abduction and actions designed to bring about his release (the Prime Minister's Office, the Foreign Ministry, the Defense Ministry, the IDF and the security services).